

UNITED NATIONS DEVELOPMENT PROGRAMME



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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENTS OF THE WHOLE AFRICA REGION

Forest Industries Advisory Group for Africa (Phase II) (RAF/77/006)

Report of the Administrator*

Date of present approval:	April 1979
Starting date of project activities:	February 1978 (Including Preparatory Assistance)
Planned completion date:	December 1981
To be executed by:	Food and Agriculture Organization of the United Nations (FAO) in collaboration with Economic Commission for Africa (ECA) and United Nations Industrial Development Organization (UNIDO)
Government implementing agency:	Ministries of Agriculture, Forestry and Fisheries
Estimated cost of assistance planned under present approval:	\$1 600 000
Source of UNDP financing:	Regional Indicative Planning Figure (IPF)

I. Background

1. The ECA strategy for the implementation of the New International Economic Order (NIEO) set out under the "Revised Framework of Principles for the Implementation of the New International Economic Order in Africa 1976-1981-1986" ^{1/}, emphasizes among other things, the need for improved utilization of Africa's natural resources and the development of its industries. The development of forest industries in Africa has been far below the real potential. Large volumes of wood are still exported in log form, instead of being processed locally. In 1976, exports of sawlogs and veneer logs accounted for over 60 per cent of the value of total forest product exports. More serious still is the fact that in 1976, African forest products exports of \$854 million were counterbalanced by forest products imports of \$1,073 million - a net sector deficit of \$219 million.

^{1/} Economic Commission for Africa, Executive Committee, 13th Meeting, Addis Ababa 17-18 November 1975.

* In accordance with General Assembly resolution 2688 (XXV) and subsequent authorizations of the UNDP Governing Council, reports are issued seriatim on the approval of UNDP assistance of \$250,000 or more (including, if any, assistance financed by Government or by third-party cost sharing).

2. The previous Forest Industries Advisory Group (RAF/68/444) financed by UNDP started in 1966. It was based in Addis Ababa with a limited staff but grew considerably over the years as the quality and efficiency of its work improved with a resulting steady increase in the demand for its services from Governments, financial institutions and industries. Project activities were completed in July 1977 but the report of the FAO/UNDP Review Mission of March 1976 recommended an extension of the project until 1981. A questionnaire survey of African countries conducted by the team leader proved their desire for the continuation and expansion of the Group's activities.

3. In February 1978, UNDP approved the Preparatory Assistance for the present Phase II project 1/, the purpose of which was to prepare a project document for the period 1978-1981, taking into consideration the policy guidance obtained from ECA, FAO and UNDP on regional development planning and the needs and interests of the countries in forestry and forest industries development. UNDP assistance for full project activities has now been approved.

II. Objectives and activities

4. The immediate objectives of the project are to provide specialized technical advisory services on a national, regional and subregional basis and in particular to assist the Governments, on request, in reviewing their policies and machinery for the development of forest industries; identifying, evaluating, formulating and promoting specific forest industry projects; and promoting the development of national technical, managerial, research and marketing capabilities and know-how. The activities of the Group will include carrying out sectoral surveys, missions, pre-feasibility studies and providing advice in the strategy sectors of the forest industry.

III. Inputs

5. UNDP inputs will provide mainly for a core of five regional experts in the basic strategy sectors plus additional consultancies as well as training of local personnel. Five counterpart associate experts in the five strategy sectors to understudy the senior experts of the Group will possibly be funded by FAO Trust Funds.

IV. Financial data

6. The expenditure components of the planned assistance are as follows:

	<u>Previously approved</u>	<u>Present approval</u>	<u>Total approved</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Personnel	236 063	1 456 998	1 693 061
Training	5 000	80 000	85 000
Equipment	-	10 000	10 000
Miscellaneous	5 000	53 002	58 002
	<u>246 063</u>	<u>1 600 000</u>	<u>1 846 063</u>

1/ DP/PROJECTS/1805.